Alloy Automotive Sdn Bhd v Enkei Automotive Co Ltd & Anor

COURT OF APPEAL (KUALA LUMPUR) — CIVIL APPEAL NO W-02-282 OF 1995
LAMIN PCA, ABU MANSOR AND ABDUL MALEK AHMAD JJCA
18 NOVEMBER 1996

Civil Procedure *— Appeal — Memorandum and record of appeal — Application for extension of time to file and serve — Mistake of solicitor in not filing memorandum and record of appeal in time — Whether a sufficient ground for granting extension of time — Whether there was any merit in the application — Balance of convenience — Exercise of court's discretion*

The respondents commenced an action seeking a declaration as to a certain trade mark against the appellant. In the absence of the appellant or its solicitors, the judge granted the respondents the order in terms of their application. The appellant made an application praying, inter alia, for an order that the judge's order be set aside, which was refused by the judge. The appellant appealed.

In appealing against the High Court's order, the appellant had not filed its memorandum and record of appeal — the reason for not having done so was said to be the mistake of the appellant's previous solicitors. The appellant applied for an extension of time to file and serve its memorandum and record of appeal.

Held, dismissing the application:

From the facts of the case, it was clear that the appellant's solicitors had blatantly disregarded court procedure in failing to file the memorandum and record of appeal within the required time. The appellant was also partially to blame for the delay. The appellant should have been more vigilant as to the state of its pending matter and should have checked on its solicitors' actions.

Furthermore, the appellant's claim was, on its merits, heard and dismissed by two High Court judges. There was no merit in the application of the appellant and in the exercise of the court's discretion, the balance of convenience lie in favour of refusing the appellant's applications (see pp 209F and 210B, G–H).

[Bahasa Malaysia summary

Penentang memulakan suatu tindakan untuk mendapatkan satu deklarasi berhubung suatu tanda niaga terhadap perayu. Dalam ketidakhadiran perayu atau peguamnya, hakim telah membenarkan permohonan penentang seperti dipohonkan. Perayu membuat permohonan menuntut, antara lain, untuk membatalkan perintah itu, yang mana telah ditolak oleh hakim. Perayu membuat rayuan.

Dalam rayuan terhadap perintah Mahkamah Tinggi, perayu telah tidak memfailkan memorandum dan rekod rayuan — sebab untuk tidak berbuat demikian dikatakan adalah kerana kesilapan peguamcara

perayu sebelum ini. Perayu memohon untuk pelanjutan masa untuk memfail dan menyampaikan memorandum dan rekod rayuan. A

Diputuskan, menolak permohonan:

Dari fakta kes, adalah jelas bahawa peguam perayu telah dengan sengaja melanggar prosedur mahkamah apabila beliau gagal memfailkan memorandum rayuan dan rekod rayuan dalam masa yang dikehendaki. Perayu juga turut bersalah dalam kelewatan ini. Perayu sepatutnya lebih berhati-hati mengenai perkara yang akan dibicarakan dan sepatutnya meneliti tindak tanduk peguamnya. B

Tambahan pula, tuntutan perayu, atas meritnya, telah didengar dan ditolak oleh dua hakim Mahkamah Tinggi. Tidak ada merit dalam permohonan perayu dan dalam melaksanakan budi bicara mahkamah, imbangan kemudahan adalah berpihak kepada menolak permohonan perayu (lihat ms 209F dan 210B, G–H).] C

Notes D

For cases on memorandum and record of appeal, see 2 *Mallal's Digest* (4th Ed, 1994 Reissue) paras 511 and 512–524.

Cases referred to E

Chong Kueng Ying & Ors v Lovis Lavagna [1972] 1 MLJ 180 (refd)
Gatti v Shoosmith [1939] 3 All ER 916 (refd)

Legislation referred to

Trade Marks Act 1976 ss 37, 45(1)(a) F

Raja Aziz Addruse (*Philip MC Choong* with him) (*Philip Choong & Co*) for the appellant.
Ambiga Sreenevasan (*Skrine & Co*) for the respondents.

Cur Adv Vult G

Abu Mansor JCA (delivering the judgment of the court): This is an appeal against the decision of this court given on 30 September 1996, refusing the application of the appellant for extension of time to file and serve its memorandum and appeal record out of time. H

The facts of this case are as follows. The respondents commenced an action against the appellant in Kuala Lumpur High Court in Notice of Motion No D3–25–8 of 1994 on 11 May 1994, praying for a declaration that the trade mark 'Enkei' was solely owned by the respondents and that the Registrar of Trade Marks Malaysia do delete the registered trade mark 'Enkei' No 86/00087 which was registered in the name of the appellant. The notice of motion was first fixed for hearing on 5 October 1994, but the appellant applied for a postponement of this hearing. I

A On 5 October 1994, in the absence of the appellant or its solicitors, the judge granted the respondents the order in terms of their application that the trade mark 'Enkei' was at all material times owned by the first respondent and that the trade mark registered No 86/00087 in the name of the appellant be deleted. As a result, the appellant applied by motion praying, inter alia, for an order that the judge's order of 5 October 1994 be B vacated and/or stay be granted. The appellant's application was refused by the learned judge on 25 March 1995, and the appellant now appeals to the Court of Appeal. The appellant filed its appeal on 11 April 1995.

It is an undisputed fact that at the date of the argument, the appellant had not filed its memorandum and record of appeal. Hence, this application C before us. The respondents strongly opposed this application.

Before us, Raja Aziz Addruse and Philip Choong appeared for the appellant and Miss Ambiga Sreenevasan appeared for the respondents.

Before us, Raja Aziz informed the court that the appellant was initially represented by Darshan Singh & Co, Advocates and Solicitors. D The appellant in appealing against the High Court's order of 5 October 1994, had not filed their memorandum of appeal and appeal record. He cited the reason for not having done so was the mistake of the solicitors. Raja Aziz asked the court to scrutinize a few circumstances. He stressed that the conduct of the solicitors had caused his client great hardship. A E search of the court records was made and the appellant found so many things amiss and after a notice to show cause why this appeal should not be struck out was issued, it was revealed that the record of appeal had not been filed.

Raja Aziz sought to argue and cited *Gatti v Shoosmith* [1939] 3 All ER 916 where the Court of Appeal in England held that F where, owing to a misreading of the rule, the applicant therein was a few days too late in entering an appeal, there was nothing in the nature of such a mistake to exclude it from being a proper ground for allowing the appeal; whether the matter shall be so treated must depend on the facts of each case and in that case the discretion of the court ought to be exercised, and G leave to appeal was given. Counsel also sought to ask the court to distinguish *Chong Kueng Ying & Ors v Lovis Lavagna* [1972] 1 MLJ 180 where the court held that the mistake of a legal adviser was not sufficient ground for granting leave. He sought to point out that leave being applied therein was for special leave and did not apply to his situation as his application was just for leave.

H Miss Ambiga for the respondents contended that there was no inadvertence by the solicitors as stated by the appellant's counsel. In respect of this delay, it was clear from paras 2, 3 and 4 of Mr Darshan Singh's affidavit affirmed on 25 September 1996 that he was blaming his client for not having given him the required instruction to proceed with the I appeal. She added that, on the contrary, it is clear from the affidavit of Mr Hitoshi Suzuki for the respondents affirmed on 27 July 1996 that according to the registrar's letter dated 29 June 1995, as a result of the appellant's solicitor's improper and premature application for extension of

time for filing of the record of appeal, its solicitors were thereafter duly directed by the court's registry to adhere to the Court of Appeal Practice Circular No 2/91 and the solicitors were also duly directed to file a notice of motion therefor. There was an undisputed and inordinate delay as one year had elapsed from the date of the judgment, ie 5 October 1994 and the appellant must to a certain extent share some blame and what was also clear, nothing had since been done after that inspite of the direction.

Miss Ambiga further contended that even in the case of the application to set aside the court's judgment of 5 October 1994, there was also an undisputed delay of 30 days for which the appellant had to pray for an extension to file.

Miss Ambiga drew the court's attention to Mr Hitoshi Suzuki's affidavit in reply (at p 42) which referred to the absence of any explanation why there was this delay in the appellant's application. He attributed that delay to the appellant's solicitors' attempt to drag their feet in the early disposal of this pending matter. The judgment of VC George J on 5 October 1994 (at p 26 of Hitoshi Suzuki's affidavit) is given below and is illustrative as showing how the appellant's solicitors' conduct (who was for the respondents in the court below) was viewed by the learned judge and it also showed how his Lordship had dealt with this application before it came up before us. The learned judge held:

> This application was specially fixed for hearing for the afternoon. In the meantime, the respondents successfully obtained an order for security for costs. Neither the respondents nor their solicitors nor counsel are here. There is a fax sent yesterday to the court by solicitors for the respondents. I think it is an impertinence for the solicitors to expect the court to entertain that if that is purported to be an application for adjournment. The applicants' solicitors have by fax informed the respondents' solicitors that they oppose any adjournment. I have to treat the case as one in which the respondents and their solicitors and counsel are absent. Accordingly, I proceeded to hear the application.
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> The opposition as provided by the respondent's affidavit (encl 8) suggests to me that the opposition is made tongue in cheek. There is what can only be described as an abuse of the process by the respondents. To suggest that the mark 'Enkei' was based on the Chairman's son's pet's name but to use the identical stylized form of the word as used by the Japanese is almost contemptuous of the court. There is more than sufficient evidence to show that the applicants have owned the mark and have used it in Malaysia since 1981. It is unfortunate that inspite of the applicants in good time notifying the Registrar of Trade Mark of the opposition to the respondent's application, they were not heard and the mark was registered without hearing them.

The respondents' counsel contended further that the appellant's counsel knew fully well their situation with the previous solicitors and only proceeded to do a belated search in July 1996.

She submitted that the appellant and also their solicitors showed consistent delay and urged the court to dismiss their application.

What merit had the appellant in its application to set aside the order of the learned judge dated 5 October 1994? The appellant's counsel submitted they had merit as the appellant had registered the trade mark 'Enkei' first.

To this, Miss Ambiga replied that the appellant could have availed themselves of two avenues. They could have appealed or proceeded under s 45(1)(a) of the Trade Marks Act 1976 ('the Act'). That section provides:

> 45 (1) Subject to the provisions of this Act —
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> (a) the court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit; ... .

She submitted there appears to be no time limit for application for the purpose of expunging under s 37 of the Act. Even after seven years, application can be made by a genuine owner for expunging a trade mark.

Under the Act, the question was not who first filed for registration but priority is granted as to who uses first.

It is contended by the respondents and at pp 26 and 27 of the affidavit of Hitoshi Suzuki, it is stated that the trade mark 'Enkei' was used first by the respondents and it was registered without the respondents being given a right to be heard.

This court viewed that there was a blatant disregard by the appellant's solicitors of the court's procedure. It is also the view of this court that to a certain extent, the appellant could not escape and was partly to blame for the delay in the filing of the appeal record. The appellant, we feel, should have been more vigilant and alert as to the state of its pending matter. We feel the appellant should have the attentiveness to check on the action of the solicitors it employed and paid for. If the case was delayed, the appellant should have pursued the matter as a diligent litigant and even to the extent of firing its solicitors and changing to a new solicitor who could do a better job. After all, it was paying and had the right to call the tune. The appellant was the master and the solicitors were only its agent. We could not subscribe and sympathize with the appellant's counsel's submission that his client presumed everything was in order until the letter from the Court of Appeal dated 29 June 1995.

It is also our considered view that the client having such a solicitor should have been more concerned as to the state of its case if it was so injured as it claimed.

As for being vigilant, we took note and found substance in the submission of counsel for the respondents that an order of committal as a result of non-compliance with an injunction was made against one of the appellant's directors dated 12 February 1996. The appellant made a complaint against that order. In pursuing its complaint, the appellant's

matter was taken over by Philip Choong & Co. From May 1995 to July 1995, it should have dawned on the appellant anything could have gone wrong with its matter in court. The appellant should have woken up and conducted an urgent enquiry to protect its interest. This the appellant failed to do.

In coming to the conclusion to dismiss the appellant's application, we considered and found merit in the respondents' counsel's argument that two High Court judges have heard the appellant's claim on its merit. Arifin Jaka J conducted a full hearing and he turned down the appellant's application to set aside the order of 5 October 1994.

Also significant in our consideration was para 10 of the affidavit of Hitoshi Suzuki which provides thus:

> 10 Dalam mana-mana keadaan, Pejabat Pendaftar Cap Dagangan telah memotong Pendaftaran No 86/00087 daripada Daftar Cap Dagangan. Kini dikemukakan dan ditanda 'A7' adalah suatu salinan warta yang mengiklankan pemotongan tersebut. Selanjutnya, cap dagangan 'Enkei' adalah kini didaftarkan atas nama penentang pertama. Kini dikemukakan dan ditanda 'A8' adalah suatu salinan perakuan pendaftaran.
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> Oleh yang demikian, saya dengan takzimnya memohon supaya permohonan perayu untuk suatu pelanjutan masa untuk memfailkan memorandum rayuan dan rekod rayuan hendaklah ditolak dan Rayuan Sivil No W–02–282–95 hendaklah dibatalkan dengan kos dibayar kepada penentang.

Roughly translated:

> 10 In any situation, the Department of the Registrar of Trade Marks had deleted Registration No 86/00087 from the Register of Trade Marks. Herein is exhibited and marked 'A7' is a copy of the gazette adverting to the said cancellation. Thereafter, the trade mark 'Enkei' is now registered in the first respondent's name. It is herein exhibited and marked 'A8' is a copy of the certificate of registration.
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> In the premises, the respondent prays for dismissal of the appellant's application for extension of time for the filing and service of the memorandum and appeal record.

For reasons stated above and considered in its entirety, with due respect, we were unable to discover any merit in the application of the appellant and in the exercise of our discretion, we find the balance of convenience lies in favour of refusing the appellant's applications with costs to the respondents.

Application dismissed.

Reported by Jafisah Jaafar